

108TH CONGRESS
2D SESSION

S. 2376

To amend the Internal Revenue Code of 1986 to repeal the scheduled reductions in the child tax credit, marriage penalty relief, and 10-percent rate bracket, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 4, 2004

Mr. BUNNING (for himself, Mr. MILLER, Mr. FRIST, Mr. GRAHAM of South Carolina, and Mrs. HUTCHISON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to repeal the scheduled reductions in the child tax credit, marriage penalty relief, and 10-percent rate bracket, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Working Family Tax
5 Relief Act of 2004”.

1 **SEC. 2. REPEAL OF SCHEDULED REDUCTIONS IN CHILD**
 2 **TAX CREDIT, MARRIAGE PENALTY RELIEF,**
 3 **AND 10-PERCENT RATE BRACKET.**

4 (a) CHILD TAX CREDIT.—Subsection (a) of section
 5 24 of the Internal Revenue Code of 1986 (relating to child
 6 tax credit) is amended to read as follows:

7 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 8 lowed as a credit against the tax imposed by this chapter
 9 for the taxable year with respect to each qualifying child
 10 of the taxpayer an amount equal to \$1,000.”.

11 (b) MARRIAGE PENALTY RELIEF IN STANDARD DE-
 12 DUCTION.—

13 (1) IN GENERAL.—Paragraph (2) of section
 14 63(c) of the Internal Revenue Code of 1986 (relat-
 15 ing to basic standard deduction) is amended to read
 16 as follows:

17 “(2) BASIC STANDARD DEDUCTION.—For pur-
 18 poses of paragraph (1), the basic standard deduction
 19 is—

20 “(A) 200 percent of the dollar amount in
 21 effect under subparagraph (C) for the taxable
 22 year in the case of—

23 “(i) a joint return, or

24 “(ii) a surviving spouse (as defined in
 25 section 2(a)),

1 “(B) \$4,400 in the case of a head of
2 household (as defined in section 2(b)), or

3 “(C) \$3,000 in any other case.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 63(c)(4) of such Code is
6 amended by striking “(2)(D)” each place it oc-
7 curs and inserting “(2)(C)”.

8 (B) Section 63(c) of such Code is amended
9 by striking paragraph (7).

10 (c) MARRIAGE PENALTY RELIEF IN 15-PERCENT IN-
11 COME TAX BRACKET.—Paragraph (8) of section 1(f) of
12 the Internal Revenue Code of 1986 is amended to read
13 as follows:

14 “(8) ELIMINATION OF MARRIAGE PENALTY IN
15 15-PERCENT BRACKET.—With respect to taxable
16 years beginning after December 31, 2004, in pre-
17 scribing the tables under paragraph (1)—

18 “(A) the maximum taxable income in the
19 15-percent rate bracket in the table contained
20 in subsection (a) (and the minimum taxable in-
21 come in the next higher taxable income bracket
22 in such table) shall be 200 percent of the max-
23 imum taxable income in the 15-percent rate
24 bracket in the table contained in subsection (c)

1 (after any other adjustment under this sub-
 2 section), and

3 “(B) the comparable taxable income
 4 amounts in the table contained in subsection
 5 (d) shall be $\frac{1}{2}$ of the amounts determined
 6 under subparagraph (A).”.

7 (d) 10-PERCENT RATE BRACKET.—

8 (1) IN GENERAL.—Clause (i) of section
 9 1(i)(1)(B) of the Internal Revenue Code of 1986 is
 10 amended by striking “(\$12,000 in the case of tax-
 11 able years beginning after December 31, 2004, and
 12 before January 1, 2008)”.

13 (2) INFLATION ADJUSTMENT.—Subparagraph
 14 (C) of section 1(i)(1) of such Code is amended to
 15 read as follows:

16 “(C) INFLATION ADJUSTMENT.—In pre-
 17 scribing the tables under subsection (f) which
 18 apply with respect to taxable years beginning in
 19 calendar years after 2003—

20 “(i) the cost-of-living adjustment shall
 21 be determined under subsection (f)(3) by
 22 substituting ‘2002’ for ‘1992’ in subpara-
 23 graph (B) thereof, and

1 “(ii) the adjustments under clause (i)
 2 shall not apply to the amount referred to
 3 in subparagraph (B)(iii).

4 If any amount after adjustment under the pre-
 5 ceding sentence is not a multiple of \$50, such
 6 amount shall be rounded to the next lowest
 7 multiple of \$50.”.

8 (e) PROVISIONS MADE PERMANENT.—Title IX of the
 9 Economic Growth and Tax Relief Reconciliation Act of
 10 2001 (relating to sunset of provisions of such Act) shall
 11 not apply to—

12 (1) section 1(i)(1) of the Internal Revenue Code
 13 of 1986 as added by subsection (a) of section 101
 14 of such Act,

15 (2) paragraphs (1) and (7) of section 101(c) of
 16 such Act,

17 (3) section 201(a) of such Act, and

18 (4) title III of such Act.

19 (f) EFFECTIVE DATES.—The amendments made by
 20 this section shall apply to taxable years beginning after
 21 December 31, 2004.

22 **SEC. 3. EXTENSION OF MINIMUM TAX RELIEF TO INDIVID-**
 23 **UALS.**

24 (a) IN GENERAL.—Subparagraphs (A) and (B) of
 25 section 55(d)(1) of the Internal Revenue Code of 1986 (re-

1 lating to exemption amount for taxpayers other than cor-
2 porations) are each amended by striking “2003 and 2004”
3 and inserting “2003, 2004, and 2005”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2004.

○